

*CGB-CC-0817*



Received & Inspected  
JUL 3 - 2008  
FCC Mail Room

June 30, 2008

Commission's Secretary  
Office of the Secretary  
9300 East Hampton Drive  
Capital Heights, MD 20743

This is a petition to exempt MGK Productions Inc. dba Focus Outdoors from Closed Captioning requirements.

Requiring Focus Outdoors to close caption its shows would be a tremendous strain on our revenues. Based on cost estimates we have received, closed captioning would cost us almost 15% of our gross revenues. That cost added to television time, production, acquisition costs and overhead would cause us to be in a greater negative cash flow position.

We have tried to solicit a closed captioning sponsor without any luck.

Attached are copies of tax returns for the past 2 years to support our request.

Focus Outdoors must generate all revenues through the sale of various advertising options. That has been a challenge and difficult to do in the current economy.

Respectfully,

A handwritten signature in black ink that reads "Steven L. Hammer". The signature is fluid and cursive, with "Steven L." on top and "Hammer" below it.

Steven L. Hammer  
CEO

Form 1120S

## U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

2006

Department of the Treasury  
Internal Revenue Service

► Do not file this form unless the corporation has filed Form 2553  
to elect to be an S corporation.  
► See separate instructions.

For calendar year 2006 or tax year beginning _____, 2006, ending _____		
<b>A</b> Effective date of S election  1/01/2002	<b>B</b> Use the IRS label. Otherwise, print or type.  Business activity code number (see instructions)  711300	<b>C</b> Employer identification number  MGK PRODUCTIONS, INC FOCUS OUTDOORS 3333 DIVISION STREET, #119 ST CLOUD, MN 56301
<b>D</b> Date incorporated  10/17/2001	<b>E</b> Total assets (see instructions)  \$ 18,693.	

F Check if: (1)  Initial return (2)  Final return (3)  Name change (4)  Address change (5)  Amended return

G Enter the number of shareholders in the corporation at the end of the tax year. ► 2

H Check if Schedule M-3 is required (attach Schedule M-3). ►

**Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.**

INCOME	DEDUCTIONS	INSTRU	c Bal ►	1c 12,630.
	1a Gross receipts or sales..		12,630.	12,630.
	2 Cost of goods sold (Schedule A, line 8) .....		2	2
	3 Gross profit. Subtract line 2 from line 1c .....		3	12,630.
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) .....		4	
	5 Other income (loss) (attach statement) .....		5	
	6 Total income (loss). Add lines 3 through 5 .....		6	12,630.
	7 Compensation of officers .....		7	
	8 Salaries and wages (less employment credits) .....		8	
	9 Repairs and maintenance .....		9	
	10 Bad debts .....		10	
	11 Rents .....		11	
	12 Taxes and licenses .....		12	542.
	13 Interest .....		13	5,509.
	14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562) .....		14	16,053.
	15 Depletion (Do not deduct oil and gas depletion.) .....		15	
	16 Advertising .....		16	
	17 Pension, profit-sharing, etc, plans .....		17	
	18 Employee benefit programs .....		18	
	19 Other deductions (attach statement) .....		19	31,812.
	20 Total deductions. Add lines 7 through 19 .....		20	53,916.
	21 Ordinary business income (loss). Subtract line 20 from line 6 .....		21	-41,286.
	22a Excess net passive income or LIFO recapture tax (see instructions) .....		22a	
	b Tax from Schedule D (Form 1120S) .....		22b	
	c Add lines 22a and 22b (see instructions for additional taxes) .....		22c	
	23a 2006 estimated tax payments and 2005 overpayment credited to 2006 .....		23a	
	b Tax deposited with Form 7004 .....		23b	
	c Credit for federal tax paid on fuels (attach Form 4136) .....		23c	
	d Credit for federal telephone excise tax paid (attach Form 8913) .....		23d	
	e Add lines 23a through 23d .....		23e	
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached .....		24	
	25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed .....		25	0.
	26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid .....		26	
	27 Enter amount from line 26 Credited to 2007 estimated tax .....			Refunded

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	► PRESIDENT		
	Signature of officer	Date	Title
	May the IRS discuss this return with the preparer shown below (see instructions)?		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Paid Preparer's Use Only	Preparer's Signature  MICHAEL P. BENUSA, CPA	Date  3/27/07	Check if self-employed  <input type="checkbox"/>	Preparer's SSN or PTIN  P00359872
	Firm's name (or yours if self-employed), address, and ZIP code  BENUSA GRUBER MAIERS & ASSOC. 600 SOUTH 25TH AVENUE, SUITE 211 ST. CLOUD, MN 56301	EIN  W001161600W		Phone no. (320) 203-0254

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

SFSAD105L 01/05/07 Form 1120S (2006)

**Cost of Goods Sold (see instructions)**

1	Inventory at beginning of year.....	1
2	Purchases.....	2
3	Cost of labor.....	3
4	Additional section 263A costs (attach statement).....	4
5	Other costs (attach statement).....	5
6	Total. Add lines 1 through 5.....	6
7	Inventory at end of year.....	7
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2.....	8

9a Check all methods used for valuing closing inventory:

- (i)  Cost as described in Regulations section 1.471-3  
 (ii)  Lower of cost or market as described in Regulations section 1.471-4  
 (iii)  Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c). c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). 

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO .....

9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?  Yes  Nof Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation.  Yes  No**Other Information (see instructions)**

		Yes	No
1	Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) .....		
2	See the instructions and enter the: a Business activity ► <b>MARKETING</b> b Product or service... ► <b>OUTDOOR MEDIA</b>		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If 'Yes,' attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made? .....	X	
4	Was the corporation a member of a controlled group subject to the provisions of section 1561?.....	X	
5	Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?.....	X	
6	Check this box if the corporation issued publicly offered debt instruments with original issue discount..... If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
7	If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. <input type="checkbox"/> \$ .....		
8	Enter the accumulated earnings and profits of the corporation at the end of the tax year..... \$ .....		
9	Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If 'Yes,' the corporation is not required to complete Schedules L and M-1.....	X	

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

**Shareholders' Pro Rata Share Items**

		Total amount
1	Ordinary business income (loss) (page 1, line 21).....	1 -41,286.
2	Net rental real estate income (loss) (attach Form 8825).....	2
3a	Other gross rental income (loss).....	3a
b	Expenses from other rental activities (attach statement).....	3b
c	Other net rental income (loss). Subtract line 3b from line 3a.....	3c
4	Interest income.....	4
5	Dividends: a Ordinary dividends.....	5a
b	Qualified dividends.....	5b
6	Royalties.....	6
7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S)).....	7
8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120S)).....	8a
b	Collectibles (28%) gain (loss).....	8b
c	Unrecaptured section 1250 gain (attach statement).....	8c
9	Net section 1231 gain (loss) (attach Form 4797).....	9
10	Other income (loss) (see instructions).....	10

Shareholders' Pro Rata Share Items (continued)		Total amount
Deductions	11 Section 179 deduction (attach Form 4562). 12a Contributions. b Investment interest expense. c Section 59(e)(2) expenditures (1) Type ► (2) Amount. ► d Other deductions (see instructions) ... Type ►	11 12a 12b 12c (2) 12d
Credits	13a Low-income housing credit (section 42(j)(5)) b Low-income housing credit (other). c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468). d Other rental real estate credits (see instrs) Type ► e Other rental credits (see instrs) Type ► f Credit for alcohol used as fuel (attach Form 6478). g Other credits (see instructions) ... Type ►	13a 13b 13c 13d 13e 13f 13g
Foreign Transactions	14a Name of country or U.S. possession. ► b Gross income from all sources. c Gross income sourced at shareholder level. Foreign gross income sourced at corporate level d Passive. e Listed categories (attach statement). f General limitation. Deductions allocated and apportioned at shareholder level g Interest expense. h Other. Deductions allocated and apportioned at corporate level to foreign source income i Passive. j Listed categories (attach statement). k General limitation. Other information l Total foreign taxes (check one): ► <input type="checkbox"/> Paid <input checked="" type="checkbox"/> Accrued. m Reduction in taxes available for credit (attach statement). n Other foreign tax information (attach statement).	14a 14b 14c 14d 14e 14f 14g 14h 14i 14j 14k 14l 14m 14n
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment. b Adjusted gain or loss. c Depletion (other than oil and gas). d Oil, gas, and geothermal properties — gross income. e Oil, gas, and geothermal properties — deductions. f Other AMT items (attach statement).	15a 15b 15c 15d 15e 15f
Items Affecting Shareholder Basis	16a Tax-exempt interest income. b Other tax-exempt income. c Nondeductible expenses. d Property distributions. e Repayment of loans from shareholders.	16a 16b 16c 16d 16e
Other Information	17a Investment income. b Investment expenses. c Dividend distributions paid from accumulated earnings and profits. d Other items and amounts (attach statement).	17a 17b 17c
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and lines 14l ..	18 -41,286.

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	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash.....		377.		-65.
2a Trade notes and accounts receivable.....				
b Less allowance for bad debts.....				
3 Inventories.....				
4 U.S. government obligations.....				
5 Tax-exempt securities (see instructions).....				
6 Other current assets (attach stmt).....				
7 Loans to shareholders.....				
8 Mortgage and real estate loans.....				
9 Other investments (attach statement).....				
10a Buildings and other depreciable assets.....	94,572.		103,066.	
b Less accumulated depreciation.....	68,255.	26,317.	84,308.	18,758.
11a Depletable assets.....				
b Less accumulated depletion.....				
12 Land (net of any amortization).....				
13a Intangible assets (amortizable only).....	651.		651.	
b Less accumulated amortization.....	520.	131.	651.	
14 Other assets (attach stmt).....				
15 Total assets.....		26,825.		18,693.
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable.....		44,035.		10,953.
17 Mortgages, notes, bonds payable in less than 1 year.....				
18 Other current liabilities (attach stmt) .. SEE ST. 2.....		28,335.		33,659.
19 Loans from shareholders..... SEE ST. 3.....		57,029.		88,499.
20 Mortgages, notes, bonds payable in 1 year or more.....				
21 Other liabilities (attach statement).....				
22 Capital stock.....		1,000.		1,000.
23 Additional paid-in capital.....		52,513.		56,949.
24 Retained earnings.....		-156,087.		-172,367.
25 Adjustments to shareholders' equity (att stmt).....				
26 Less cost of treasury stock.....				
27 Total liabilities and shareholders' equity.....		26,825.		18,693.

**Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more — see instructions

1 Net income (loss) per books.....	-16,280.	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a Tax-exempt interest \$ _____	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l (itemize):		6 Deductions included on Schedule K, lines 1 through 12, and 14l, not charged against book income this year (itemize):	
a Depreciation ..... \$ _____		a Depreciation... \$ _____	
b Travel and entertainment. \$ _____		SEE STMT 4 25,006. 25,006.	
4 Add lines 1 through 3.....	-16,280.	7 Add lines 5 and 6.....	25,006.
		8 Income (loss) (Schedule K, ln 18). Ln 4 less ln 7....	-41,286.

**Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)**

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year.....	-107,173.		
2 Ordinary income from page 1, line 21.....			
3 Other additions..... SEE STATEMENT 5.....	4,436.		
4 Loss from page 1, line 21.....	( 41,286.)		
5 Other reductions.....			
6 Combine lines 1 through 5.....	-144,023.		
7 Distributions other than dividend distributions.....			
8 Balance at end of tax year. Subtract line 7 from line 6.....	-144,023.		

Form 1120S

Department of the Treasury  
Internal Revenue Service

## U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

2007

► Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
 ► See separate instructions.

For calendar year 2007 or tax year beginning , 2007, ending

A S election effective date 1/01/2002	Use the IRS label. Otherwise, print or type.	MGK PRODUCTIONS, INC FOCUS OUTDOORS 3333 DIVISION STREET, #119 ST CLOUD, MN 56301	D Employer identification number 1234567890123456
B Business activity code number (see instructions) 711300			E Date incorporated 10/17/2001
C Check if Sch M-3 attached <input type="checkbox"/>			F Total assets (see instructions) \$ 9,551.

G Is the corporation electing to be an S corporation beginning with this tax year?  Yes  No If 'Yes,' attach Form 2553 if not previously filedH Check if: (1)  Final return (2)  Name change (3)  Address change  
 (4)  Amended return (5)  S election termination or revocation

I Enter the number of shareholders in the corporation at the end of the tax year. ► 2

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

INCOME STATEMENTS	1 a Gross receipts or sales... 2 Cost of goods sold (Schedule A, line 8)... 3 Gross profit. Subtract line 2 from line 1c... 4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)... 5 Other income (loss) (attach statement)... 6 Total income (loss). Add lines 3 through 5...	3,800.	b Less returns and allowances...	c Bal ► 1c 3,800.
	7 Compensation of officers...	2		2
	8 Salaries and wages (less employment credits)...	3		3,800.
	9 Repairs and maintenance...	4		4
	10 Bad debts...	5		5
	11 Rents...	6		3,800.
12 Taxes and licenses...	7		7	
13 Interest...	8		8	
14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)...	9		9	
15 Depletion (Do not deduct oil and gas depletion.)...	10		10	
16 Advertising...	11		11	
17 Pension, profit-sharing, etc, plans...	12		12	
18 Employee benefit programs...	13	4,424.	13	
19 Other deductions (attach statement)...	14	10,607.	14	
20 Total deductions. Add lines 7 through 19...	15		15	
21 Ordinary business income (loss). Subtract line 20 from line 6...	16	1,500.	16	
	17		17	
	18		18	
	19	4,678.	19	
	20	21,209.	20	
	21	-17,409.	21	
PAYMENTS	22a Excess net passive income or LIFO recapture tax (see instructions)...	22a		
	b Tax from Schedule D (Form 1120S)...	22b		
	c Add lines 22a and 22b (see instructions for additional taxes)...	22c		
	23a 2007 estimated tax payments and 2006 overpayment credited to 2007...	23a		
	b Tax deposited with Form 7004...	23b		
	c Credit for federal tax paid on fuels (attach Form 4136)...	23c		
	d Add lines 23a through 23c...	23d		
24 Estimated tax penalty (see instructions). Check if Form 2220 is attached...	24		24	
25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed...	25	0.	25	
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid...	26		26	
27 Enter amount from line 26 Credited to 2008 estimated tax	Refunded		27	

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration or preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	► PRESIDENT		May the IRS discuss this return with the preparer shown below (see instructions)?
	Date	Title	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Signature of officer		

Paid Preparer's Use Only	Preparer's signature MICHAEL P BENUSA, CPA	Date 3/18/07	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN P00359872
	Firm's name (for yours if self-employed), address, and ZIP code BENUSA GRUBER MAIERS AND ASSOCIATES LLC 1521 NORTHWAY DR STE 101 SAINT CLOUD, MN 56303-1223	EIN 1234567890123456		Phone no. (320) 203-0254

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

SPSA0105L 12/26/07

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**Schedule A Cost of Goods Sold (see instructions)**

1 Inventory at beginning of year .....	1
2 Purchases .....	2
3 Cost of labor .....	3
4 Additional section 263A costs (attach statement) .....	4
5 Other costs (attach statement) .....	5
6 Total. Add lines 1 through 5 .....	6
7 Inventory at end of year .....	7
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 .....	8

9a Check all methods used for valuing closing inventory:

- (i)  Cost as described in Regulations section 1.471-3  
 (ii)  Lower of cost or market as described in Regulations section 1.471-4  
 (iii)  Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c). c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO.  9de If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?  Yes  Nof Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation.  Yes  No**Schedule B Other Information (see instructions)**

1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ►	Yes	No
2 See the instructions and enter the: a Business activity ► MARKETING		
b Product or service... ► OUTDOOR MEDIA		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If 'Yes,' attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made?.....		X
4 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?.....		X
5 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. ► \$		
7 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$		
8 Are the corporation's total receipts (see Instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If 'Yes,' the corporation is not required to complete Schedules L and M-1. <input type="checkbox"/> X		

**Schedule C Shareholders' Pro Rata Share Items**

	Total amount
1 Ordinary business income (loss) (page 1 line 21).....	1 -17,409.
2 Net rental real estate income (loss) (attach Form 8825).....	2
3a Other gross rental income (loss).....	3a
b Expenses from other rental activities (attach statement).....	3b
c Other net rental income (loss). Subtract line 3b from line 3a.....	3c
4 Interest income.....	4
5 Dividends: a Ordinary dividends.....	5a
b Qualified dividends.....	5b
6 Royalties.....	6
7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)).....	7
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)).....	8a
b Collectibles (28%) gain (loss).....	8b
c Unrecaptured section 1250 gain (attach statement).....	8c
9 Net section 1231 gain (loss) (attach Form 4797).....	9
10 Other income (loss) (see instructions).....	10

	Shareholders' Pro Rata Share Items (continued)	Total amount
Deductions	11 Section 179 deduction (attach Form 4552) . . . . . 12a Contributions . . . . . b Investment interest expense c Section 59(e)(2) expenditures (1) Type ► (2) Amount ► d Other deductions (see instructions) . . . . . Type ►	11 12a 12b 12c (2) 12d
Credits	13a Low-income housing credit (section 42(i)(5)) . . . . . b Low-income housing credit (other) . . . . . c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468) . . . . . d Other rental real estate credits (see instrs) Type ► e Other rental credits (see instrs) Type ► f Credit for alcohol used as fuel (attach Form 6478) . . . . . g Other credits (see instructions) . . . . . Type ►	13a 13b 13c 13d 13e 13f 13g
Foreign Transactions	14a Name of country or U.S. possession . . . . . b Gross income from all sources . . . . . c Gross income sourced at shareholder level . . . . . <i>Foreign gross income sourced at corporate level</i> d Passive category . . . . . e General category . . . . . f Other (attach statement) . . . . . <i>Deductions allocated and apportioned at shareholder level</i> g Interest expense . . . . . h Other . . . . . <i>Deductions allocated and apportioned at corporate level to foreign source income</i> i Passive category . . . . . j General category . . . . . k Other (attach statement) . . . . . <i>Other information</i> l Total foreign taxes (check one): <input checked="" type="checkbox"/> Paid <input type="checkbox"/> Accrued . . . . . m Reduction in taxes available for credit <i>(attach statement)</i> . . . . . n Other foreign tax information (attach statement)	14a 14b 14c 14d 14e 14f 14g 14h 14i 14j 14k 14l 14m
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment . . . . . b Adjusted gain or loss . . . . . c Depletion (other than oil and gas) . . . . . d Oil, gas, and geothermal properties -- gross income . . . . . e Oil, gas, and geothermal properties -- deductions . . . . . f Other AMT items (attach statement)	15a 15b 15c 15d 15e 15f
Items Affecting Shareholder Basis	16a Tax-exempt interest income . . . . . b Other tax-exempt income . . . . . c Nondeductible expenses . . . . . d Property distributions . . . . . e Repayment of loans from shareholders . . . . .	16a 16b 16c 138. 16d 16e
Other Information	17a Investment income . . . . . b Investment expenses . . . . . c Dividend distributions paid from accumulated earnings and profits . . . . . d Other items and amounts <i>(attach statement)</i>	17a 17b 17c
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and lines 14l . . .	18 -17,409.

BAA

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<b>Schedule L</b>	<b>Balance Sheets per Books</b>	<b>Beginning of tax year</b>		<b>End of tax year</b>	
		(a)	(b)	(c)	(d)
1 Cash.....			-65.		127.
2a Trade notes and accounts receivable.....					
b Less allowance for bad debts.....					
3 Inventories.....					
4 U.S. government obligations.....					
5 Tax-exempt securities (see instructions).....					
6 Other current assets (attach stmt).....					
7 Loans to shareholders.....					
8 Mortgage and real estate loans.....					
9 Other investments (attach statement).....					
10a Buildings and other depreciable assets.....	103,066.			104,339.	
b Less accumulated depreciation.....	84,308.		18,758.	94,915.	9,424.
11a Depletable assets.....					
b Less accumulated depletion.....					
12 Land (net of any amortization).....					
13a Intangible assets (amortizable only).....	651.			651.	
b Less accumulated amortization.....	651.			651.	
14 Other assets (attach stmt).....					
15 Total assets.....		18,693.			9,551.
<b>Liabilities and Shareholders' Equity</b>					
16 Accounts payable.....			10,953.		13,171.
17 Mortgages, notes, bonds payable in less than 1 year.....					
18 Other current liabilities (attach stmt) SEE ST 2.....		33,659.			46,859.
19 Loans from shareholders..... SEE ST 3.....		88,499.			93,567.
20 Mortgages, notes, bonds payable in 1 year or more.....					
21 Other liabilities (attach statement).....			1,000.		1,000.
22 Capital stock.....			56,949.		60,861.
23 Additional paid-in capital.....			-172,367.		-205,907.
24 Retained earnings.....					
25 Adjustments to shareholders' equity (att stmt).....					
26 Less cost of treasury stock.....					
27 Total liabilities and shareholders' equity.....		18,693.			9,551.

**Schedule M-3 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more — see instructions

1 Net income (loss) per books.....	-33,540.	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a Tax-exempt interest \$ _____	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l (itemize):		6 Deductions included on Schedule K, lines 1 through 12, and 14l, not charged against book income this year (itemize):	
a Depreciation ..... \$ _____		a Depreciation ... \$ _____	
b Travel and entertainment \$ 138.		7 Add lines 5 and 6.....	0.
SEE STATEMENT 4 15,993.	16,131.	8 Income (loss) (Schedule K, ln 18). Ln 4 less ln 7...	-17,409.
4 Add lines 1 through 3.....	-17,409.		

**Schedule M-4 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)**

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undis- tributed taxable income previously taxed
1 Balance at beginning of tax year.....			
2 Ordinary income from page 1, line 21.....			
3 Other additions.....			
4 Loss from page 1, line 21.....			
5 Other reductions.....			
6 Combine lines 1 through 5.....			
7 Distributions other than dividend distributions.....			
8 Balance at end of tax year. Subtract line 7 from line 6.....			